

ABSTRACT

The development of 4G/LTE technology that offers broadband internet speeds has an impact on Telkomsel's revenue decline stemming from legacy business (conversation and SMS) especially in West Java Region. Customers are switching to Over-the-Top services, especially messaging and voice communication services. Currently, Telkomsel's customer segmentation approach refers to two basic attributes, namely Average Rate per User (ARPU) and Length of Stay (LOS). However, said approach has not had a significant impact on revenue from mobile plan service sales. Almost throughout 2019, the company's target was not achieved.

The authors use marketing mix approach, determine customer segmentation variables, look for key targets of mobile package services, and implement the right product tactics to improve ARPU from Telkomsel customers in West Java, from legacy business and digital and broadband internet services

SWOT analysis is conducted to identify internal factors that are the strengths and weaknesses of Telkomsel as well as external factors in the form of opportunities and threats. Furthermore, the process of geographic segmentation is carried out based on the demographic conditions of the community to know the level of customer purchasing power. In this study, there were 7 (seven) variables that were used as parameters to segment customer behavior based on the results of expert interviews. Furthermore, the big data analysis process was carried out using K-Means, which was used as the basis for determining the main targets and marketing tactics of the right product from Telkomsel mobile package service in West Java.

Overviewing each component of the 7P marketing mix concept, details of what should be implemented are as follows. First, Product. Product bundling must be personalized and flexible to accommodate co-creation, tailoring to customer needs. Second, Pricing strategy. Variations of packages with small denominations, below Rp50K, both on single and combined packages, need to be increased to strengthen product sales. Third, promotion strategies are also needed to be personalized, where each customer receives different package offers according to the behavior analyzed using Big Data Analysis. Advertising is also done through social media, endorsed content, celebgrams as well as traditional promotional media such as billboards as well as TV and Radio ads. Next is Place. Placing is carried out by getting closer to customers and making it easier for customers to interact by utilizing traditional distribution channels, digital media, and MyTelkomsel app optimization. The fifth element is People. Continuous improvement is made by improving Big Data analysis capabilities, hospitality, adaptability and also technology updates in every Telkomsel personnel. The sixth, Process. Support and focus need to be undergone on customer grouping, optimizing the use of Big Data Analysis and data mining. In addition, benchmarking is carried out on established companies in the use of data mining (Gojek, Tokopedia). The last is Physical Evidence. Customer satisfaction should take precedence with excellent service through optimization of network quality and improvement of distribution channel service as well as virtual assistant through MyTelkomsel

application. This 7P concept is expected to increase customer ARPU, and have a positive impact on Telkomsel's revenue, especially in West Java Region.

Future research is expected to conduct more in-depth studies of demographic data (age, gender, education, occupation and religion) as well as customer psychographics, along with details of telecommunications service usage behavior of legacy, broadband and digital services. Traditionally, big data analysis should be Telkomsel's main basis for providing mobile package service offers.

Keywords: mixed-method, segmentation, SWOT, K-means, big data, Telkomsel, product tactics, mobile plan service